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MEASURES TAKEN TO HARMONIZE LIVESTOCK DEVELOPMENT POLICIES AND TO INTEGRATE LIVESTOCK DEVELOPMENT PROGRAMMES IN AFRICA

ABBREVIATIONS

AAF-SAP	African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Transformation
ADB	African Development Bank
AHG	Assembly of Heads of State
ALG	Autorité du Liptako Gourma
CEAO	Communauté économique de l'Afrique de l'Ouest
CEBV	Communauté économique du bétail et de la viande
CEPGL	Communauté économique des Pays des Grands Lacs
CILSS	Comité inter-Etat de lutte contre la sécheresse dans le Sahel
CRTA	Centre de recherche sur la trypanosomiase animale
ECA	Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
EEC	European Economic Community
FAC	Fonds d'aide de coopération
FAL	Final Act of Lagos
FAO	Food and Agriculture Organization of the United Nations
GTZ	German Agency for Technical Co-operation
IARCs	International Agricultural Research Centres
IBAR	Inter-African Bureau for Animal Resources
ICIPE	International Centre for Insect Physiology and Ecology
IFAD	International Fund for Agricultural Development
IGADD	Intergovernmental Authority for Drought and Development
IGOs	Intergovernmental organizations
ILCA	International Livestock Centre for Africa
ILRAD	International Livestock Research on Animal Diseases
KBO	Kagera Basin Organization
LPA	Lagos Plan of Action
MULPOCs	Multinational Programming and Operational Centres
MRU	Mano River Union
NARCS	National Agricultural Research Centres
OAU	Organization of African Unity
PTA	Preference Trade Area for Eastern and Southern African States
SADCC	Southern African Development Co-ordination Conference
STRC	Scientific, Technical and Research Commission
UDEAC	Union douanière de l'Afrique Centrale
UMA	Union Maghreb arabe
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WAIGOS	Association of West African Intergovernmental Organizations
WHO	World Health Organization

INTRODUCTION

1. The present report[1] on measures to harmonize livestock development policies and to integrate livestock development programmes in Africa is prepared by the Economic Commission for Africa (ECA) in conformity with its work programme for the biennium 1990-1991. The report contains recommendations to help lay the foundations for the structural transformation of the sector and for its improved and sustained development in the 1990s and beyond within the framework of collective self-reliance and African solidarity.

2. The Conference of Ministers at its seventeenth session is expected to adopt the orientation that the sector should take in the 1990s. It is also expected to provide the appropriate directives to the ECA secretariat, in collaboration with the OAU and the major economic groupings and in consultation with all concerned United Nations specialized agencies and international organizations, to help create and maintain an enabling environment for the sector to develop from its inner strength, to contribute to the sustained growth and development of the overall economy and, above all, to provide enough animal protein to meet human needs more adequately in the 1990s and beyond.

3. Various studies undertaken over the last decade or so had shown that productive co-operation is not only required but desirable for an optimal exploitation of the livestock resources or market potentials, for the development of large areas in the arid zones or for the integration and active involvement of nomadic population in national and regional economic life. Co-operation is, indeed, required as livestock farming is characterized by the movement of both animals and their owners across national boundaries in search of water, pasture and livestock services (animal health and/or marketing). Hence, development efforts in one country may affect or be affected by what is done in adjacent countries or simply by the attitudes of neighbouring governments towards these efforts.

4. Co-operation is also desirable since great potential exists at both production and trade levels within all economic groupings. The furthering of comparative advantage of producing countries and the preservation of subregional market primarily for subregional production of livestock products and by-products will result in tremendous gains for all parties concerned notably in the livestock allied industries (processing of products and by-products) and other industries.

5. With a livestock asset value of $US 58.2 billion held by African livestock farmers in 1990, it was shown that with the re-organization of the available production structures and the reforms of some of the institutions and the political will, livestock could develop from its inner strength and take off from its own bootstraps. The livestock sector could then contribute significantly to the socio-economic structural transformation in the continent notably through the creation of employment in the allied industries and the strengthening of the income and tax bases. Moreover, livestock could be made to

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[1] The report was prepared following a consultation with the secretariats of OAU/IBAR in Nairobi, Kenya; ECCAS in Libreville, Gabon, ECOWAS in Lagos, Nigeria; and CEBV, CEAO, CILSS, ALG in Ouagadougou, Burkina Faso. The Government of Burkina Faso, which hosts a great number of IGOs, was consulted at the highest level on the issues under discussion. The representatives of FAO in Nigeria and Burkina Faso were also adequately briefed. Owing to time and resource constraints not all institutions involved in livestock were visited but in the past contacts were made with some of them notably ICIPE, ILCA, ILRAD and FAO.

provide, in a very short period of time, enough meat to help achieve the animal food security goal in the continent at higher level of per capita intake and to improve significantly the self-sufficiency ratio in dairy products.

6. The lack of co-operation has also resulted in considerable losses and wastage notably of what livestock products were already produced in difficult situation by the farmers living admittedly at near subsistence level in terms of use of input and services. It has resulted in higher production cost of livestock products, production risks and more uncertainties in marketing and trading livestock products. It will of course result in more losses in the 1990s if the African continent was to be further marginalized.

7. The resulting consequence in the reduction of the flows of external assistance that had sustained whatever development that has taken place so far in the African livestock sector, notably through project, will be deepened. The immediate consequence of the marginalization of the continent in the livestock sector will be the accentuation of the reversal of earlier progress in animal health services and water development.

8. It is worth recalling that the declared will to co-operate in all economic fields including livestock does exist. Indeed, in accordance with the guidelines from the Monrovia Declaration of commitment for collective self-reliant and self-sustaining development, the major economic groupings were expected to foster subregional and regional co-operation in all fields, notably agriculture, to help achieve increased measures of collective self-sufficiency and collective security. The IGOs, in line with FAL in close collaboration, if not under the co-ordination of the major economic groupings[2], were to help foster increased integration of sectoral economies through encouraging the pooling and joint exploitation of resources, institutions and markets.

9. The preferred tools of intervention of the major economic groupings were to be the harmonization of development policies and the integration of development programmes. The effective use of these tools was to help ensure the optimal and joint exploitation of resources and the satisfaction of developmental goals set by the highest authority for the benefit of the people of a given subregion or of the continent. It is, however, recognized that no measurable impact can be made by the economic groupings if there is no effective harmonization of policies and integration of programmes at national levels and if the interventions of the various IGOs are not co-ordinated.

10. Hence, in preparing the present report, the consultation with the various economic groupings and the IGOs centred around the following issues:

(a) What is required for the livestock sector to meet human needs in animal food products more adequately in the 1990s and beyond within the framework of increased self-reliance; and?

(b) What is required to ensure increased and sustaining contribution of the livestock sector to the structural transformation of the African economies in the 1990s?

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[2] The major economic groupings that exist so far are ECOWAS, ECCAS and PTA and that of North Africa is in the process of being established.

11. The following activities were then undertaken:

(a) Review of the activities of the visited major economic groupings and IGOs in promoting subregional co-operation for the integration of livestock economies notably over the last decade;

(b) Identification of areas for further subregional co-operation, harmonization of policies and integration of programmes;

(c) Discussion on the possible contribution of research to the process of structural transformation of the livestock economy in the 1990s; and

(d) Discussion on ways and means for fostering the structural transformation of the livestock sector in the 1990s within the framework of collective self-reliance.

12. Livestock, as other sectors, is included in the work programme of each of the institutions visited. However, the interventions of each of these institutions notably of African origins depend largely on the good will of the international community to support their programmes. Since, the assistance so far provided was inadequate, the contribution of most of the African institutions to the process of harmonizing livestock development policies and integrating livestock economies within their respective domain of interventions and mandated areas has been insignificant.

13. The major economic groupings do not actually have a comprehensive programme of work for harmonizing livestock development policies and integrating livestock development programmes. Hence, it is difficult for these institutions to help create an enabling environment for the sector to develop within the framework of collective self-reliance and to provide increased quantity of animal food products to meet the subregional and regional demands.

14. Understandably, the existence of the major economic groupings did not help to improve significantly the volume of intra-African trade in livestock products and by-products, despite the considerable potential to achieve increased collective animal food self-sufficiency, collective animal food security and for the adoption by their policy organs of trade facilitation rules and regulations. On the contrary, the dependency of the continent on the outside world to ensure the animal food (frozen meat) security to the population has been increasing.

15. The need to reverse the present trend in the performance of the livestock sector is fully recognized by the policy analysts. But the need to shift from over-reliance on the outside world to self-reliance, hence to promote the development of the sector within the framework of collective self-reliance, is less agreed upon. Indeed, it is believed that most governments will not be attracted by such move as they are finding difficulties to meet the budget requirements of the IGOs or even to pay the salaries of national civil servants. It is to be recalled that with appropriate environment, the livestock sector could develop from its inner strength.

16. The report is made of four sections. The introduction contains the scope of the study. Section II is on the analysis of the efforts to harmonize livestock development policies. The efforts of integrating livestock development programmes are analyzed in section III. Section IV is devoted to

the conclusions and recommendations geared towards developing and maintaining an enabling environment for the structural transformation of the livestock sector in the 1990s and beyond.

I. HARMONIZATION OF LIVESTOCK DEVELOPMENT POLICIES

A. Measures taken

17. ECA has been active in fostering the harmonization of development policies in the African livestock sector within the framework of collective self-reliance. A series of studies were prepared in the form of reports and technical papers presented to the policy organs of ECA and MULPOCs and to technical meetings and seminars. In particular, efforts were directed towards:

(a) Raising the awareness of the policy analysts and decision makers on the economic importance of the sector;

(b) Drawing the attention of livestock policy analysts and decision makers on the potential of the sector to help satisfy the collective animal food security goal within the framework of collective self-reliance and African solidarity; and

(c) Warning the policy analysts and decision makers on the opportunity loss due to over-reliance on the outside world, the implementation of ill-conceived policies and the lack of co-operation at both national and regional levels. For instance, ECA has estimated that the West African subregion has been losing about $US 1 billion annually in the cattle subsector alone. About 80 per cent of these losses could be avoided.

18. Measures and recommendations were made to address each of these issues; a master plan for the reduction of losses and elimination of wastage and a framework for interventions in the livestock sector were prepared. Meetings were organized to help concerned governments to enter into joint ventures for the production of essential inputs and products so that in a short period of time the livestock sector could develop on a self-sustaining basis and contribute to the industrialization effort in the continent.

19. The outcome of the participation of ECA in developing the sector is less apparent as it deals with sensitizing and influencing the behaviour and thinking of the policy analysts and decision makers to help create an enabling environment for:

(a) Livestock to be taken as a business;

(b) The livestock community to develop the sector within the framework of self-reliance; and

(c) Increased contribution of the sector to overall development.

ECA, by its mandate, could not and should not impose on the African Governments its vision of livestock development but rather it should use persuasion to share its views. Moreover, its assistance

has been on how to develop the sector based on self-reliance and as such it does not provide financial resources to help implement the identified programmes.

20. ECA rather has endeavoured to point out to the policy analysts that the welfare State is dying in the continent and that the time of the vache laitière has ended. Hence, its effort was directed to make livestock development inward-looking and to identify areas where potential exists to mobilize internal resources and reduce wastage. Overall, the efforts were directed towards making the sector less prone to external assistance and factors and to help move the sector from the path of stagnation to that of sustained growth and long-term development with transformation.

21. Although one of the primary consumers of the work of ECA should be the major economic groupings and the IGOs, which have specific and delimited zones to operate and are closer to member States, it seems that the linkage between ECA and the major economic groupings and IGOs as well as among economic groupings and between them and the IGOs is weak. This is so even for the West African subregion where a livestock sub-committee has been established bringing together all concerned IGOs and ECOWAS within the framework of the Association of West African Intergovernmental Organizations (WAIGOS) in which ECA/MULPOC serves as the secretariat.

22. As the programming of livestock development by these institutions is based mainly on the mobilization of external assistance, which is contrary to the guiding principle of increased self-reliance, the services delivered by ECA are then less attractive. But with the marginalization of the African continent, the limited success of externally imposed structural adjustment programmes (orthodox SAPs) and the increasing demand for a genuine democratization process of development, the studies undertaken by ECA will undoubtedly influence the thinking of the development of the sector within the framework of self-reliance.

23. The IGOs in West Africa, notably CILSS, CEBV, CEAO and ALG, have tried to harmonize the interventions of member States notably during the implementation of the PARC and the transhumance of livestock through organizing consultative meetings. Individually or collectively, they have tried to institute the use of passports for or a certificate on the transhumance of livestock to control the movement of livestock, to standardize the collection of statistics, to develop an information management system on livestock population and markets, to develop a code of use of pastoral resources and to promote the integration of livestock and agricultural economies. Attempts were made to harmonize production policies through the promotion of specialization in production.

24. Unfortunately, overall, these efforts were not sustained and hence gave results far below expectations. There is a renewal of interest in livestock by these IGOs notably to harmonize their own development strategies and to integrate their programme of assistance through a kind of division of labour and joint undertaking. This rapprochement seems to be a reaction to the desire of the donor community to set conditionality for the consideration of any request made by any one of the IGOs in the subregion.

25. Indeed, the donor community is increasingly finding it difficult to receive and treat similar requests from different IGOs working for the same countries and even based in the same city. Hence, it has sent a signal that it wants one porte-parole in the West African subregion and the IGOs have responded positively and collectively and have designated ECOWAS to play that role.

26. Other institutions notably EEC, USAID and ILCA have designed strategy and policy framework for their intervention in the African livestock sector. For instance, the EEC took the opportunity of providing funds for the PARC to device programmes for restructuring the livestock sector in countries that will request financial assistance. The question remains whether these programmes, in line with the principle of orthodox SAPs, will lead to any meaningful change that will ensure the structural transformation of the sector.

27. ILCA has designed a strategy for livestock research in sub-Saharan Africa for the 1990s and beyond. However, ILCA in readjusting its areas of intervention, has decided to withdraw from the potential areas for livestock development in Africa, the arid zones. These areas that have comparative advantage in livestock production in Africa and account for the bulk of animal resources are more problematic and challenging for research than the current zone of intervention of ILCA, the humid zone and the highlands.

B. Measures to be taken in the 1990s

28. So far the efforts for harmonizing livestock development policies have been in terms of preparing policy papers which at best have remained at the level of the institutions that have prepared and financed them. The IGOs as well as member States are often confronted with a multitude of strategies that are often confusing or even contradictory. Hence, some countries are preparing a consolidated strategy biased towards national self-reliance which could lead to more confusion.

29. Although the rationale for development policies harmonization is not in doubt, a given member still does not see in concrete terms the possible contribution to its economy (additional revenue or tons of meat or dairy products) of the proposed harmonization policies. Hence, its hesitation to adhere effectively to a proposal for harmonizing and especially to put resources into it.

30. To achieve the above objective, improvement should be made in assessing in economic terms the cost and benefit of co-operating in a given area and in ably communicating the outcome of such undertaking to all concerned. In the meantime, attempts should be made to promote the harmonization of livestock development policies through providing advisory services by a group of concerned IGOs to a member State when it is developing its national livestock development strategy and programmes.

31. Collectively, the IGOs should make an effort to persuade the country of the need to harmonize the policies and co-ordinate the interventions at national level and above all to take into account the subregional and regional dimension of livestock development. They could also provide information that will increase the chance of success of its strategy or to induce the concerned country to enter in contact with a neighbouring country to harmonize a given set of policies and integrate development programmes that will yield dividends for each partner.

C. Development of a livestock information management system and the analytical capability of the IGOs concerned with livestock

32. As normal and without disregarding the need for African solidarity, to be able to persuade a government to undertake alternative development policies and programmes especially in the framework

of collective self-reliance, it must be convinced that its present livestock development policies generate little benefit as compared to cost and that the payoff is evident for such an alternative.

33. Hence, the need to develop instruments of analysis of livestock developmental problems that are simple yet powerful to be used by African policy analysts themselves on a permanent basis. These instruments should help to estimate the gains or losses for each partner when inducing member States to enter into co-operation with each other so as to help accelerate the process of livestock economic development and growth in a given subregion based on collective self-reliance. Naturally, the proper functioning of these instruments will require the development of a data base and an efficient information management system.

34. On the whole, such instruments should help estimate the economic gains (or losses, if any) resulting from the harmonization of livestock development policies or the integration of livestock development programmes or simply subregional trade facilitation. Thus, its honest use will provide a basis for promoting genuine and sustainable subregional co-operation in livestock. More specifically, such instruments should help to:

(a) Bridge the gap of communication between livestock development analysts and decision makers and promote fruitful dialogue among developers of livestock and between them and others notably the producers/consumers (voters). The latter group is becoming an important force, since the beginning of the 1990s has seen the rise of voices for more democracy in development, more participation of the people in the life of the nation and of the continent and above all more accountability. Thus, with the development of the modelling techniques and its popularization at the level of the policy analysts a state of interactive dialogue could be established not only at national level but also at the subregional level;

(b) Thoroughly study the constraints to development;

(c) Assess the policy objectives (quantitatively) before making the policy decision, which will help policy analysts to assess their assumptions and to limit the number of alternatives especially for the use of resources;

(d) Evaluate the multiple impacts of programmes and policies designed to modify the rates of economic development with transformation at national and subregional levels and hence to serve as a measure of the effectiveness of specific policies in force or to be implemented; and

(e) Help decision makers speak more responsibly about economic policy and related programmes.

35. While the models should be designed to simulate the overall livestock economic development process at subregional level, efforts should be made to link the sector with the rest of the economy to ensure complementarity and orderly development at national and regional levels. Inducement for entering into joint venture in production and trade of livestock products and by-products should not be based on reciprocal (balanced advantage for every two sets of countries in livestock inputs or products and or by-products) basis but rather in a system-wide (all member States and all major

products) framework. On the whole, the subregion should be made better off rather than worse off as the result of the furthering of co-operation in livestock.

36. The use of the model should reduce the possibility of implementing an inconsistent set of developmental policies which are in conflict with one another or run contrary to the pursued goal. Policy instruments can then be used to influence the sector and those intervening in the sector to help achieve the desirable objective. The use of these instruments should also help to create an enabling environment for the effective participation of the private sector, notably through African multinationals, since the sector will become technically challenging and economically attractive.

37. The development of the models will be made within the framework of AAF-SAP and bearing in mind that they should be simple to operate but powerful enough to meet the quality standard. For instance, simple linear programming models could be developed using the Optimization Tools embodied in Quattro Pro[3]. Also, models developed by ILCA (Herd Simulator) using spreadsheet or by FAO (DASI for project analysis) could be used or adapted to sufficiently arm livestock policy analysts. More sophisticated models could be developed for research laboratories. But our purpose is to ensure that the decision makers are taking decisions that are well-thought out and thoroughly studied.

38. The prerequisite to the effective use of these instruments is the commitment to self-reliant development as underlined in AAF-SAP, and the conviction of policy analysts that the livestock sector has the potential to develop within the framework of self-reliance. Thereafter, they have to be armed to convince the decision makers for the need to develop the sector within the framework of collective self-reliance and African solidarity by showing them the mutual benefits that could be derived from an improved co-operation in the development and exploitation of the livestock resources of the continent. Hence, efforts should be directed towards helping the policy analyst to become self-confident and to make him able to convince decision makers to take genuine decisions and to persuade professional associations that the advocated policies are good for livestock development and for the society at large.

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[3] Quattro Pro is a powerful software (spreadsheet) that requires only 640k of RAM, enough for most modelling needs for the policy analysts.

II. INTEGRATION OF LIVESTOCK DEVELOPMENT PROGRAMMES

A. Measures taken

39. Despite the existence of many institutions[4] working on livestock in the continent, little progress has been made in improving both livestock productivity and production in Africa. The self-sufficiency of the continent in animal food products has been deteriorating over the last decade from 91.2 per cent in 1980 to 88.2 per cent in 1990 (table 1). At the same time, the per capita consumption has been decreasing notably for the weakest segment of the population (low income, elderly, women and children). For instance, per capita consumption decreased from 11.5 kg in 1980 to 10.7 kg in 1990.

40. The existence of the major economic groupings did not help in furthering the joint exploitation of livestock resources for increased collective self-sufficiency within the framework of self-reliance as called for under LPA and FAL. Moreover, they did not succeed in stimulating or even maintaining the already too low intra- and inter-subregional trade in animal food and livestock products. Hence, over the last decade the importation of meat was increasing at an average annual rate of 4.2 per cent. Furthermore, the livestock sector contributed increasingly to the deterioration of the balance of trade of the continent. The livestock trade deficit increased from $US 1.7 billion in 1980 to $US 2.5 billion in 1990 (table 2).

1. International institutions

41. Considerable resources are being allocated by the international community to undertake research through its sponsored institutions (IARCs). There is no doubt that these institutions could make significant contribution to the structural transformation process of the livestock economy in Africa. But so far their contribution has been minimal not because the subject for research is totally irrelevant but, as it is said, mainly because the linkage between these institutions and the NARCs is weak and because their operations are often beyond any control by African countries (the presumed beneficiaries).

42. Also, the management of IARCs is often entirely in the hands of the staff from the donor community and hardly any African assumes the highest responsibility, be it at technical or management

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[4] A number of institutions worked on livestock research and development in Africa at subregional, regional and international levels. In addition to the major economic groupings, namely ECOWAS, ECCAS and PTA, numerous intergovernmental organizations are concerned with livestock development in their mandated areas. For instance, OAU/IBAR, UDEAC, CEAO, CEBV, CILSS, SADCC, KBO, CEPGL, MRU, UMA, ALG, IGADD are involved in livestock development in Africa. Also, ICIPE and the two sponsored institutions of CGIAR (ILCA and ILRAD) are international institutions working on livestock research of concern to Africa. In the United Nations system, FAO, notably as the lead agency, is heavily involved in livestock development in Africa. Other bodies are involved either as financial institutions (ADB, EEC, UNDP) or as development as well as financial institutions (USAID, the World Bank, GTZ, FAC).

level. The presence of an African in the policy organs of these institutions does not influence so much the attitudes of the management concerning the above-mentioned issues perhaps because of the ways they are co-opted. The argument often advanced by the management of these institutions for the inadequate representation of Africans on the policy organs is that Africa does not contribute so much in cash to the core budget.

43. As livestock constitutes a sector in which the developed countries have a vested interest in the market of Africa, it is unlikely that an institution sponsored and controlled largely by these countries would bring about any meaningful contribution to livestock development in Africa. This has been documented in various studies related to the position of United States and EEC officials and taxpayers.

44. In addition, Africa has the potential to supply the Middle East countries whose market is of considerable interest to the developed countries. Of course, the taxpayers of developed countries, who are producers of excess supply of animal products (highly subsidized at both production and export level), will exercise non-economical pressure on the politicians. With the development of biotechnology in the 1990s, these institutions, if not watched, will probably serve as the medium for the uncontrolled transfer of genes from Africa and, therefore, making the African continent worse off in the livestock sector.

45. Research institutions could be made to contribute notably to:

(a) The reduction of losses and wastage of what had been produced (due to inefficiencies in production, marketing and distribution or distortions from ill-conceived development policies); and

(b) The improvement of the productivity of livestock resources bearing in mind the constraints in terms of sustainability, efficiency and the protection and conservation of resources (natural).

2. The African Institutions

46. The major economic groupings do recognize the limitation of their assistance to member States. Basically, their role was limited to looking for assistance to help implement national programmes rather than to help in the promotion of internal and/or joint ventures (private or public initiatives) in production as well as trade. It seems that a lack of self-confidence is developing among the staff of these institutions perhaps due to the lack of impact of their policies.

47. For instance, ECOWAS has adopted a Programme of Action of Agricultural and Natural Resources, 1986-1989 and 1990-1994. The programme aimed at achieving self-sufficiency in food within the subregion by the year 2000. Although the need to further the complementarity between member States is fully recognized in developing agricultural and natural resources, the programme merely concentrates on providing assistance (own and external) to national programmes without due consideration to the pooling of resources and the joint exploitation of resources based on self-reliance.

48. The inadequacy of the resources of the ECOWAS secretariat to assist or support national programmes, the weak links between national institutions and the ECOWAS secretariat and the weak

state of co-operation between ECOWAS and the other IGOs having membership in the areas of intervention of ECOWAS do not enable the secretariat to effectively live up to the expectations of the

member States. Moreover, the secretariat is not in a position to undertake a coherent programming of concrete actions to effectively complement national efforts as its funding depends more on external sources.

49. The case of the West African subregion is no different from that of other subregions. Activities often remain at the level of studies and since the analytical capability is grossly inadequate, the report remains descriptive and the recommendations vague. Actually, it is difficult for decision makers to take decisions of commitment and actions to induce government and/or nationals (private companies or individual businessmen) to help translate recommendations into concrete programme of investments. At best, a call is made after approval of the recommendations by the policy organs to the secretariat to translate the recommendations into actions. In most cases, the secretariat tends to update the study until the issue involved is no longer important or is forgotten.

50. For instance, livestock has been identified as one of the priority areas for intervention in the ECOWAS Programme of Action. The focus has been on the multiplication of trypanotolerant cattle through extending assistance to existing centres located in Côte d'Ivoire, Guinea, the Gambia, Mali, Nigeria and Senegal, of muturu cattle in Nigeria and zebu cattle in Mauritania. Since 1981, ECOWAS has been carrying out studies to look into the feasibility of giving a subregional dimension (supply) to these centres while still retaining the national dimension in terms of management. The actions of ECOWAS during the last decade have been to continuously update the study carried out in 1981. Another updating exercise will take place at the beginning of next year.

51. Also, in the West African subregion, IGOs such as CEAO and CEBV have devoted a lot of efforts and resources to stimulate co-operation in their respective mandated areas. They have designed projects to further the production capacities of member States in meat production and to improve processing capacities. Some of the projects were financed and carried out up to the end but those leading to the joint exploitation of livestock resources were less attractive to the donor community.

52. As for the Central African subregion, the ECCAS secretariat accords an important place to the promotion of co-operation in the livestock sector but since the institution is in its beginning stages not much has been done. So far, the secretariat has compiled statistics on the importance of the sector and the analysis of constraints. It is envisaged that priority should be given to the development of trypanotolerant cattle and small ruminants to help improve the level of self-sufficiency in both animal and agricultural food products.

53. In the Kagera basin, the KBO has been active since 1982 in sensitizing the international community on the need to control tsetse in the Kagera basin. The existence of the vector not only limits livestock and agricultural production but also causes human deaths, notably in Uganda. While other organizations favour the multiplication of trypanotolerant cattle, KBO favoured the control of

tsetse. ECA, in association with FAO, has been assisting KBO through a UNDP-funded project over the last two years to extend the techniques developed by ICIPE[5] in controlling the vectors.

54. The OAU/IBAR secretariat, the sole continental organization dealing with animal resources, after successfully carrying out the Pan-African Rinderpest Campaign (PARC)[6] is now according the highest priority to the organization of a similar programme for the control of tsetse and trypanosomiasis in the 1990s and beyond.

B. Measures to be taken for the 1990s

1. A master plan to reduce losses and wastage due to the presence of tsetse in Africa

55. From the preceding, it could be seen that the control of losses due to trypanosomiasis and wastage due to tsetse is on the agenda of most of the IGOs[7] and economic groupings. This is so because the African countries, after the launching of PARC, believe that they can successfully appeal to the heart of the people in developed countries to support an effort for the control of the scourge as it also directly affects the life of people (sleeping sickness).

56. Although most programmes remain at the identification stage, it is noteworthy to see that there is a consensus to launch a master plan to reduce losses and wastage in areas affected by tsetse. Such a plan should be supported and implemented in the 1990s.

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[5] ICIPE has made considerable progress in controlling tsetse using simple but efficient control techniques (trapping). Its technique is low cost and requires the participation of farmers themselves within the framework of self-help and self-reliant development and is quite environmentally safe. Likewise, ILRAD, ILCA and FAO are contributing through fundamental research, training and the development of networks to control tsetse and trypanosomiasis in the continent.

[6] It is to be recalled that African countries have spent most of the 1980s in appealing to and negotiating with the international community to support an eradication campaign against rinderpest. Despite an appeal made by the Assembly of Heads of State of OAU through a resolution, OAU/IBAR was able to negotiate with EEC a control and not an eradication programme in the worst affected countries with a set of conditionalities to be satisfied by prospective recipient country to ensure eligibility.

[7] CEBV has also identified a project to control trypanosomiasis in the Niger river valley covering Benin, Burkina Faso and the Niger but funding was not obtained. Also and following a meeting of livestock experts in West Africa organized in February 1988 by ECA in collaboration with IGOs, the Research Centre on Animal Trypanosomiasis (CRTA) in Burkina Faso was retained for subregionalization.

2. Institution of a livestock development fund

57. The lack of financial resources is cited as the major factor inhibiting the efforts of co-operation in livestock. As stated earlier in this report, the sector has the potential to develop from its inner strength if an appropriate mechanism exists to mobilize the resources, to efficiently manage it and channel it to the right targets. For instance, ECA has estimated that the livestock asset detained by livestock farmers was about $US 58.2 billion in 1990, that the income was $US 5.6 billion and that the increase in capital was $US 558 million. It has also estimated that the resources allocated and not necessarily disbursed in favour of livestock for the continent up to 1980 represented barely 10 per cent of the avoidable losses incurred in the cattle subsector of the West African subregion in 1987.

58. As investment and credit are almost non-existent in the livestock farms, the livestock assets held by livestock farmers could be easily converted into cash to meet investment requirements and to turn the sector into business. Hence, the potential in the livestock sector to provide adequate resources (financial) not only to improve its operation and to make it more profitable but also to make it contribute more to the financing of investments notably in the allied industries.

59. The institution of a Livestock Development Fund (LDF) as a window in a working financial institution such as ADB could provide the required services for a self-reliant and sustaining livestock development in the continent. Although a feasibility study is required, a priori, it could be said that the Fund be made of mandatory contributions paid only once during its inception. Such contribution, which could constitute a share for the country concerned, could be assessed based on the average (five years or so) number of tropical livestock units (TLU) in surplus countries and the average quantity consumed per annum in deficit countries. Payment should be made by the government and not necessarily and directly by the producers or the consumers.

60. For instance, part of the taxes levied at the level of the slaughterhouse and at exports in producing countries could be allocated to meet the mandatory contribution. Equally, in deficit countries, taxes could be levied on imported subsidized frozen meat to help realign prices of meat at consumption of domestic and foreign origins. Other sources of funds could be the interests charged on transactions going through the Fund, part of the tax revenues on the import of livestock inputs and products not produced or domestically produced in insufficient quantities to meet the demand in the subregion or the continent.

61. The Fund could be made of loanable resources to be given to develop livestock resources notably to produce quality livestock products (dairy and meat) for domestic as well as external consumption, to process raw materials from livestock farming including manure and by-products from slaughterhouse, to develop industry for the supply of veterinary products and feeds and to create and develop consultancy firms.

62. The Fund could provide grants to finance action-oriented research or to mitigate the impact of calamities (widespread droughts, epizootic disease or collapse of the commodity market) which are of social concern and not of private responsibility. Selected subsidies could be provided to open market opportunities or to develop new production opportunities. Overall, the Fund should be made to ensure sustainable livestock development based on self-reliance.

IV. CONCLUSIONS AND RECOMMENDATIONS

63. With the appropriate and enabling environment, the livestock sector has the potential to develop, based on self-reliance, to help achieve greater self-sufficiency in animal food and collective animal food security and to contribute to the sustaining growth and development of the continent. Moreover, in many African countries, livestock is one of the pillars if not the main pillar of the rural economy and it could be made to contribute to its structural transformation. So far, however, the productivity and production potentials have not been tapped to the point of having satisfactory measurable impacts in achieving the goal of collective animal food security at higher per capita consumption and in contributing to overall growth and development.

64. To reverse the present trends, African Governments should be seen collectively to undertake the required steps for the structural transformation of the livestock economy notably within the framework of the future Economic Community of Africa. The recommendations contained in this report are the minimum to help create an enabling environment for the sector not only to develop from its inner strength but also to contribute effectively to the structural transformation of the rural economy while providing enough animal protein to meet the collective demand in the 1990s and beyond.

65. The recommendations are made in four main areas. These are: research, development of an information management system and analytical tools, preparation and execution of a master plan for the reduction of losses due to tsetse and institution of a livestock development fund. They would be implemented well beyond the decade of the 1990s.

A. Harmonization of livestock development policies

66. Owing to the characteristics of livestock production in Africa, there is need for effective co-operation in the livestock sector. It is often inferred that livestock development in one country may affect or may be affected by the attitudes of the neighbouring countries. As indicated in the report, few activities have been undertaken by the economic groupings and the impacts of the work of ECA to influence, as desired, the work of the economic groupings have been below expectations.

67. To increase the chance of carrying out a successful programme of harmonizing livestock development policies at the subregional level in the near future, it is recommended to:

(a) Provide advisory assistance to member States undertaking the preparation of strategic framework and livestock development programmes with a view to ensuring first that perfect harmonization of policies and integration of programme are done at national level and inducing the concerned government to take into account the regional dimension of livestock; and

(b) Develop an information management system and the analytical capability of the major economic groupings and of the IGOs involved in livestock.

68. ECA and the concerned IGOs should make provisions to provide the required advisory services to member States notably in terms of resource persons. ECA should also, in collaboration with FAO and ILCA and in consultation with the major economic groupings, be entrusted with the responsibility

of developing the information management system and the analytical tools and the organization of required training of policy analysts notably at subregional and regional levels.

B. Livestock Development Fund

69. Owing to the importance of the Livestock Development Fund for the self-reliant development of the sector, it is recommended that ADB and IFAD, in collaboration with ECA, FAO and OAU, undertake a feasibility study on the institution of the fund. The fund could be set at 10 per cent of the avoidable estimated losses of $US 4.7 billion that society would incur or has incurred in 1990 alone. This target (half billion) is easily attainable with few adjustment in policies and in the (joint) management of existing resources.

C. Research

70. The role of research is of paramount importance in the structural transformation of African animal agriculture, since it requires a shift from a natural-based animal agriculture to a more science-based animal agriculture. Research institutions should in particular be made to contribute more effectively to the development of the livestock economy. This might require:

(a) Refocusing and redirecting research to take due account, for instance, of the biological revolution. Indeed, as biological engineering is likely to play a significant role in the 1990s in the livestock industry of the developed countries, the research institutions notably those sponsored by the CGIAR group, should be made to contribute to the furthering of partnership in the biotechnology revolution;

(b) Strengthening collaboration between research institutions at national and regional levels; and

(c) Promoting more collaboration between researchers and social scientists and between scientists and policy analysts.

71. Bearing in mind that Africa should increase its contribution notably in cash to the core budget of international institutions even if this will require a taxation of some of the beneficiaries (high-income producers and consumers), Africa should endeavour to have more say in the operations of these institutions in the continent.

72. It is recommended that STRC/OAU/IBAR, in collaboration with the major economic groupings and ECA, be given the mandate and the means to discuss with the major research institutions ways and means of ensuring that the work of these institutions falls within the priorities and covers the areas of concern to African countries and that the results of their work have the potential to bring about real changes for the growth and development of the livestock sector based notably on self-reliance.

D. Integration of Livestock Development Programmes

73. Until the capacity of the major economic groupings is developed, it is unlikely that they will be in a position to bring member States in joint ventures based on increased measures of self-reliance.

Unless the programme brings "free assistance" and equitable contribution to almost every individual country, it is unlikely to take off since it will not have the required political support. This is particularly so when every single member has to support a subregional project before being considered by a donor. The gathering of signatures is often a source of wastage of the scarce resources of the concerned IGO.

74. Hence, it is recommended to concentrate in the 1990s, considered as a decade for transition to move from external to self-reliance, the effort on mobilizing all the economic groupings to organize and implement a pan-African campaign against trypanosomiasis and tsetse.

75. OAU/IBAR, in co-operation with ICIPE, ILRAD, ECA, FAO and WHO and in consultation with the major economic groupings, could be entrusted with the responsibility of preparing a master plan for the reduction of losses and wastage due to the existence of tsetse across the continent and mobilizing resources (internal and external) for its implementation. Such a plan should be based on the use of control techniques for tsetse that would require the participation of livestock farmers and are environmentally safe and of low cost (with minimum requirement for imported inputs).

76. It is suggested that the Conference of Ministers gives appropriate directives to the Executive Secretary of ECA, the Secretary-General of the OAU and the Director General of FAO to ensure the implementation of these recommendations. They should then report appropriately to the ECA Conference of Ministers as well as to the Council of Ministers of the OAU, the FAO Regional Conference for Africa and the biennial meeting of the Ministers of the OAU in charge of livestock.

77. The Conference should, however, ensure that at the time of preparing the orientation paper and the priority areas for the Fifth Programming Cycle of UNDP, due consideration is given to the livestock sector notably to accord the highest priority to the implementation of the master plan. The Executive Secretary of ECA and the Secretary-General of the OAU should be duly mandated to approach the rest of the donor community to provide assistance for the implementation of these recommendations and to report appropriately.

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Annex:

IMPORTANCE OF LIVESTOCK IN THE AFRICAN ECONOMY

Table 1: Selected livestock performance indicators in 1980 and projections for 1990

Subregion	Livestock Population (1000 TLU*)		Meat Production (1000 MT)		Meat net import (1000 MT)		Meat Consumption (1000 MT)		Meat Consumption kg/had		SSR in meat (%)	
	1980	1990 estimate	1980	1990 estimate	1980	1990 estimate	1980	1990 estimate	1980	1990 estimate	1980	1990
North Africa	44624	47365	1439	1828	-344.97	-517.59	1783.97	2345.59	16.57		80.66%	77.93%
Central Africa I	11891	13925	202	287	-19.90	-75.60	221.90	362.60	12.21		91.03%	79.15%
Central Africa II	3124	3295	107	126	-11.70	-45.90	118.70	171.90	3.33		90.14%	73.30%
Eastern & Southern Africa	106688	121395	1719	2032	7.53	-48.57	1711.47	2080.57	11.82		100.44%	97.67%
West Africa	44698	46683	1253	1654	-84.43	-102.56	1337.43	1756.56	9.26		93.69%	94.16%
All Africa	211025	232663	4720	5927	-453.48	-790.22	5173.48	6717.22	11.48	10.70	91.23%	88.24%

*One Tropical Livestock Unit (TLU) is equivalent to an animal of 250 Kg live weight. Cattle, buffaloes and horses are equivalent to 1 TLU; each sheep and goat represent to 0.1 TLU, and each pig is counted as .02 TLU.

Source: ECA based on FAO Production Computer Print-Outs, April 1990, FAO, Rome.

Table 2: Net trade in livestock products in 1980 and Projections for 1990 and Share of each subregion in deficit

(1,000 US$)

Subregion	Import 1980	Import 1990	Export 1980	Export 1990	Net trade 1980	Net trade 1990	Share of each subregion ion 1980	Share of each subregion ion 1990
North Africa	866447	1736507	10128	5857	-856319	-1730650	49.73%	70.23%
Central Africa I	82121	144908	3741	78	-78380	-144830	4.55%	5.88%
central Africa II	46438	77783			-46438	-77783	2.70%	3.16%
Eastern and Southern Africa	231603	289903	106032	71531	-125571	-218372	7.29%	8.86%
West Africa	618146	292849	2878	145	-615268	-292704	35.73%	11.88%
All Africa	1844755	2541950	122779	77611	-1721976	-2464339	100.00%	100.00%

Source: ECA based on FAO Production computer print-outs, April 1990.

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STRATEGIES FOR REVITALIZATION, RECOVERY AND GROWTH OF AFRICA'S TRADE IN THE 1990s AND BEYOND

M91-373

I. INTRODUCTION

1. Since the 1970s, Africa's trade performance - domestic, intra-African and international - has been disappointing. A major cause for this is that in general, governments, international organizations and bilateral donors, in their investment and resource allocation programmes have accorded very low priority to the trade sector. Africa's share in world trade had been marginalized despite efforts to strengthen its bargaining position in international negotiations. Domestic trade had not kept pace with demand functions as indicated by serious shortages of food, essential commodities and services in many parts of Africa. Intra-African trade had declined from an average of about 6 per cent in the 1970s to about 4.5 per cent in the 1980s. Similarly, as a result of stagnation in its exports, Africa's share of world trade dropped from about 4 per cent to about 2 per cent between 1970 and 1988. The prices of many agricultural and mineral primary commodities of export interest to Africa collapsed in 1981 to the lowest levels in 50 years. This was manifested in the uncertainties in export earnings, deteriorating terms of trade and fluctuations in the exchange rates of major world currencies to which many African national currencies were pegged. Recently, the situation was aggravated by the breakdown in the negotiations on international commodity agreements on primary commodities of interest to African countries.

2. The combined effect of these developments was a drastic reduction in the performance of the export sector and increased balance-of-payments deficits. Largely as a result of the declining foreign exchange earnings, many African countries were unable to cope with the debt crisis which was manifested in huge and mounting external debt-service obligations. The consequences of these developments have been the low or decreasing economic growth rates, continued widespread mass poverty and declining standards of living.

3. In order to mitigate these adverse trends, subregional and regional institutions for trade expansion and co-operation have been established. Among such institutions are the Central African Customs and Economic Union (UDEAC), Mano River Union (MRU), Economic Community of West African States (ECOWAS), West African Economic Community (CEAO), Preferential Trade Area for Eastern and Southern African States (PTA), Southern African Development Co-ordination Conference (SADCC), Economic Community of the Great Lakes Countries (CEPGL), Economic Community of Central African States (ECCAS), Maghreb Union of Arab States (MUA) and Association of African Trade Promotion Organizations (AATPO). At the sectoral level, institutions have been created to promote intra-African trade such as the Federation of African Chambers of Commerce, West African Clearing House, Central African Clearing House and PTA Payments and Clearing House. Trade and development banks have also been established to promote trade.

4. It is, however, disturbing that despite the existence of these institutions, Africa's trade is still characterized by lopsided distribution and marketing policies in which serious shortages of consumer goods, particularly food, exist side-by-side with surpluses within the same economy. This is partly explained by the inability of our countries to adapt to science and technology and partly by the low priority accorded to the rural areas in the development of trade, goods and services and information dissemination as well as trade financing and credit. At the same time, Africa's external sector continues to perform poorly and there is persistent dominance of primary commodity exports in Africa's external trade largely because African countries have not yet found effective means to diversify such trade through increasing exports of manufactured, processed and semi-processed goods. Institutional and structural problems are also being encountered in the efforts to promote trade between African and other developing countries. The availability of up-to-date trade statistics and information as well as poor marketing strategies and export techniques will also constitute a major problem to be addressed.

5. Projections show that unless the rigidities in the African production and distribution structures are removed, the trade performance during the 1990s will continue to be disappointing. This situation will be aggravated by the recent oil price hike arising from developments in the Middle East. Domestic trade will have improved only slightly if priorities will continue to be placed only on external trade. This situation will also be aggravated by the low purchasing power of the rural populations, especially in the informal and subsistence sectors in the wake of possible declines in real incomes. Although at the African level, intra-African trade co-operation institutions will have been established in all subregions, the lack of trained manpower and adequate financial resources will prevent some of these institutions from being fully operational. Consequently, the share of intra-African trade to total Africa's trade will still remain at an average level below 5 per cent, but in individual cases such as PTA, the share of intra-PTA trade will have grown much faster than its trade with the rest of Africa. It is likely that agricultural and mineral primary

commodity exports will continue to dominate Africa's export efforts in the 1990s and only slight advantage would have been taken of the ACP-EEC Lomé IV Convention to shift the structure of production towards more diversification.

6. There is justifiable concern in Africa that the inability to respond effectively to the emergence of the single European Common Market in 1992 will highlight Africa's capacity to penetrate that market or to maintain its current share of trade in the wake of more ferocious competition by the newly industrialized countries (NICs) from other developing regions. Similarly, the shifts in the geo-political and economic relationships between the European Economic Community on the one hand and individual trade blocs comprising the United States-Canada Free Trade Area, the Pacific Basin Group and the Council for Mutual Economic Assistance on the other hand, will also present operational policy problems in Africa's external trade relations.

7. These strategies contain practical and imaginative policy instruments and measures for domestic, intra-African and international trade that must be implemented to reverse this situation and is built on the recognition that the contribution of the trade sector to growth in the process of structural adjustment, socio-economic transformation and recovery and prospects for economic integration of the continent have to be clearly defined to link trade with changes in production, industry and infrastructure as well as the supply of factor inputs to increase the availability of goods and services. Furthermore, the strategy to be implemented in the 1990s and beyond in the field of trade should be part of the process of accelerating and operationalizing the Lagos Plan of Action and the Final Act of Lagos. It also should take into account the proposals contained in Africa's Priority Programme for Economic Recovery, 1986-1990 (APPER), the United Nations Programme of Action for African Recovery and Development, 1986-1990 (UN-PAAERD) and the African Alternative Framework to Structural Adjustment for Socio-economic Recovery and Transformation (AAF-SAP).

8. These strategies highlight the priority which African Governments accord to the development and expansion of trade and are presented in several parts as follows: main objectives of the African trade strategies; strategy for enhancing domestic trade; new framework for intra-African trade expansion; revitalizing the external trade sector; enhancing the role of women in trade; creating the enabling environment for private sector participation in trade; strategy for trade financing; mechanisms for implementation, monitoring and follow-up. The mechanisms for implementation, monitoring and follow-up are suggested to be undertaken at the national, subregional, regional and international levels.

II. THE MAIN OBJECTIVES OF THE AFRICAN TRADE STRATEGIES

9. The main objective of the strategies for the revitalization recovery and growth of Africa's trade in the 1990s and beyond is to improve the quality of life by, inter alia, increasing productivity in the rural areas thereby providing all people, especially in the rural areas, with adequate and constant supplies of better quality goods, essential commodities and services. To this end, African countries should at least double the volume of domestic trade by the year 2000. Similarly, the share of intra-African trade should be increased to between 10 and 15 per cent of Africa's total trade. For external trade, Africa's share in world trade should be increased to at least 3 per cent.

10. To achieve this, governments, international organizations and multilateral and bilateral donors must accord high priority and financing to the development and expansion of Africa's trade. The institutional and operational framework for such trade entails a demonstration of political will and the full participatory involvement of all communities at the grass-root level such as local authorities, village associations, co-operatives, formal and informal credit and financial organizations, chambers of commerce and industry and intergovernmental and non-governmental organizations. This will also require the mobilization of human and financial resources in order to provide a sound and solid indigenous base for the transformation of the informal sector.

11. It is particularly important that full recognition and support should be given to the role of women in trade and to provide investment in small-scale and agro-industries to satisfy the basic needs. The main guiding principle is that without strong and adequate trade structures, the implementation of programmes for poverty alleviation and rural development becomes impeded and disparities in the distribution of income between the rich and the poor become wider.

III. STRATEGY FOR ENHANCING DOMESTIC TRADE

12. In order to draw up a realistic strategy, it is important to fully recognize and understand a number of critical factors which have militated against the growth of domestic trade in the past. Among these constraints are:

(a) Insufficiency or unavailability of staple food, manufactured consumer goods and services to be traded within the individual African countries;

(b) Low levels of income in the rural areas resulting in low purchasing power and lack of credit facilities;

(c) Inadequacy of pricing policies of domestic products and financial incentives for production;

(d) Problems encountered in improving distribution and marketing arrangements to reverse the present consumption patterns so as to favour domestically produced goods;

(e) Inadequacy of storage, marketing, advertising and information on domestic products especially in the wake of the diminishing role of agricultural marketing boards;

(f) Rigidities of consumption patterns and habits, especially excessive dependence on scarce staple food crops;

(g) Inadequacy of trained personnel and technical know-how resulting in inability to effectively absorb and adapt science and technology to develop domestic trade;

(h) Lack of an enabling environment for the development and expansion of domestic trade; and

(i) The inability to retain trained manpower in the rural areas due to lack of job satisfaction.

13. The strategy is designed in such a way as to mitigate these constraints while at the same time improving the domestic trade performance. It involves the implementation of a number of inter-related policies which include land reforms that guarantee better access and entitlement to land for productive use, the enhancement of the role of women as agents of change and the modernization of the food production sector. This would in turn increase the productivity of the informal sector as well as opportunities for gainful employment for a larger number of people and more equitable distribution of incomes and welfare.

14. An important element of this process is greater participation of the target groups in the decision-making process at the national, local, village and grass-root levels to ensure that the local population can contribute to the planning, organization, production, distribution and marketing of goods and services in the national market. For this reason, the African Charter for Popular Participation in Development adopted in Arusha in February 1990, is relevant to the promotion of domestic trade.

15. In the light of these issues, the following strategy is adopted:

(a) General framework

(i) identifying appropriate institutions to undertake in-depth evaluation of demand and supply constraints of specific selected products in each country so as to determine the food requirements of the population in all areas, in particular the demand for different food grains to form the basis for domestic trade. If necessary, such an evaluation should indicate ways of introducing new staple food grains in areas affected by floods, droughts and chronic food shortages;

(ii) encouraging the decentralization of industrial development to the rural areas. This will assist in the speedy development of physical infrastructures (e.g., transportation and communications) while also providing greater employment opportunities. This would significantly increase rural

incomes and improve their purchasing power and consequently the standards of living of the rural populations;

(b) Improvement of distribution network

(i) clearly defining the tasks of each category of operators in the national commercial system (State distribution enterprises, marketing co-operatives, wholesalers, semi-wholesalers, other intermediaries and retailers) and simplifying administrative procedures for domestic trade operations;

(ii) liberalizing and facilitating terms of admission to commercial activities particularly in the wholesale trade which will allow a better development of enterprises, greater reliability of the sector and therefore fewer risks that distribution will be disrupted;

(iii) laying down conditions for competition which will prevent monopolies, as applied especially to the undersupplied rural areas where demand is greater than supply and there is very little information;

(iv) rationalizing distribution channels with a view to minimizing middle men and establishing direct links between producers and consumers where it is possible;

(v) taking steps to promote the consolidation of supply or demand through setting up associations or co-operatives of producers, consumers and users encouraging their creation by means of concessional financing;

(vi) carrying out a preliminary study on the best location for public or private warehouses for perishable and non-perishable goods based on several factors including proximity to the sources of supply and/or sales outlets to be serviced, the accessibility of the area and availability of skilled manpower to manage the warehouse;

(vii) involving public wholesale marketing corporations in the handling of some essential commodities in areas where the private sectors involvement is weak; within this context it is necessary to support private sector initiative to enable it to play a key role in the handling of some commodities;

(viii) taking into account consumers' interests and protecting such interests particularly in the rural areas by encouraging transport operations through various incentives in order to lower costs of transportation for rural producers and consumers.

(c) Development of infrastructure

(i) developing a reliable system of domestic transport to ensure the movement of products and the supply to isolated regions;

(ii) developing adequate transport and communication networks between rural areas without necessarily passing through the capital or other major urban centres;

(iii) evolving more effective programmes to assist traders and entrepreneurs engaged in domestic trade to have full access to transportation and distribution facilities to improve their performance;

(iv) introducing new technologies aimed at reducing post-harvest losses and improving the storage of perishable goods, including the processing of perishables;

(v) constructing adequate storage facilities to alleviate the problems of lop-sided distribution and shortages which occur alongside surpluses within the same economy; this should be linked with the establishment of buffer stock to cover shortages experienced during year of acute natural disasters;

(vi) designing and implementing better training and skills upgrading programmes as well as new techniques for trade information, market research and trade promotion to be made available to local traders;

(d) Pricing policies

(i) lessening controls over prices in order to provide sufficient incentives to the producers thereby ensuring the remunerative levels of producer prices;

(ii) adjusting the tax policy on the incomes of farmers in order to increase their purchasing power;

(iii) lowering input costs through a system of customs duties exemptions for crucial raw materials, spare parts and machinery;

(iv) stabilizing prices and ensuring steady supply of goods through buffer-stock mechanisms and system of floor/ceiling prices.

IV. NEW FRAMEWORK FOR INTRA-AFRICAN TRADE EXPANSION

16. The emerging international economic situation suggests that one of the options which African countries have is to adopt appropriate policies to encourage trade within the framework of the subregional institutions. This would best be achieved by diversifying the production structures to increase the variety of goods for intra-African trade within the framework of subregional economic groupings. It is recognized that the resulting diversion of trade from traditional North-South channels to intra-African trade would be difficult to attain without some sacrifices to be made by the African countries. It is, however, also possible that new opportunities for trade creation may occur as the African economies attain higher levels of growth.

17. Lessons of experience indicate that past intra-African trade strategies achieved limited results largely due to the following constraints:

(a) Inability to implement commitments already made for reforms or restructuring of existing production patterns to promote intra-African trade;

(b) Difficulties of assessment and evaluation of benefits derived from intra-African trade and the fear of possible loss of revenue and foreign exchange earnings;

(c) Complexity of rules, legislation and procedures governing intra-African trade and prohibitive tariffs and non-tariff barriers applied against African products despite the existence of trade arrangements;

(d) Non-convertibility of African currencies which hinder the expansion of intra-African trade;

(e) Absence or inadequacy of supply of domestically produced goods for intra-African trade and insufficient information on the types and brands of marketable goods;

(f) Unavailability of trade financing including foreign exchange, insurance and export credit facilities and the problem of establishing credit-worthiness by African traders; this problem is aggravated by the reluctance of commercial banks to provide such credit;

(g) Lack of competitiveness of domestically produced products vis-à-vis imported goods aggravated by consumer preference of imported products by African consumers, especially the elite and urban dwellers; this results in part from lack of trade promotion and marketing, poor quality and packaging and high prices;

(h) Lack of adequate funding of subregional and regional institutions such as AATPO and the Federation of African Chambers of Commerce (FACC) which makes it difficult for them to be fully operational;

(i) Lack of free movement of goods, capital and people.

18. In this strategy, adequate consideration has been made to design a framework that would enable the countries to resolve the above problems. The main elements of the intra-African trade strategy, therefore, include the following:

(a) Comprehensive market research and analysis

19. The basic objective of the strategy should be to undertake adequate market analysis and establish strong linkages between industrial and agricultural production on the one hand and marketing and distribution on the other, to, inter alia, reduce the "underutilized capacity" in African countries. In the search for an enabling environment, it is necessary to undertake comprehensive market research and analysis to determine the basis for co-operation taking into account the demand and supply (actual and potential), the structure of production and distribution in industry and agriculture, consumer preferences and habits and the purchasing power of the economies individually as well as collectively.

20. The strategy will ensure that the supply and quality of produced goods is consistent with the patterns of demand, especially in the existing subregional economic groupings. There is evidence to suggest that the high incidence of "underutilized capacity" referred to earlier in a number of production lines in the African countries is mainly due to the lack of adequate marketing research and analysis. Industrial and agricultural production should be planned in such a way as to thoroughly assess the variations in the demand patterns so as to determine whether a particular line of production would really serve the needs of the communities. Furthermore, it is essential to ensure that production and supply are planned on a subregional or multinational basis to match the demand with the existing or planned production units. The co-ordination of industrial and agricultural production cannot, therefore, be effectively achieved without an analysis and appropriate adjustment of the market structures.

(b) Restructuring domestic production in agriculture and industry

21. The basic element of the intra-African trade strategy is to restructure and harmonize production and distribution in industry and agriculture at the subregional level consistent with the objectives of collective self-reliance. This will involve the production of local implements including spare parts for enhancing the means of production, the co-ordination of economic policies and planning mechanisms to ensure a rapid rate of industrial production for intra-African trade expansion to take advantage of the trade liberalization policies and instruments identified in (c) below. To this end, domestic production in agriculture and industry should be restructured so as to widen the base for exchanges and to provide adequate and high quality goods at competitive prices. This condition holds true for all modes of subregional trading arrangements and is of universal applicability in the development and expansion of the base for co-operation in trade at the African level. The successful implementation of the second United Nations Industrial Development Decade and the second United Nations Transport and Communications Decade in Africa would contribute to the promotion of intra-African trade.

(c) Intra-African trade liberalization of domestically produced goods

22. There is need to support the structures and policy instruments laid down in (a) and (b) above, and to create an enabling environment through more effective programmes for intra-African trade liberalization and customs co-operation arrangements. Although it has long been recognized that the imposition of import duties and other restrictions on trade among African countries are major obstacles to fruitful trade co-operation in Africa, difficulties are still being encountered in implementing trade liberalization programmes. It should be recognized, however, that these restrictions are, by their very nature, harmful to both the countries imposing them as well as those countries against whom they are imposed. Therefore, generally acceptable techniques for intra-African trade liberalization in domestically produced goods should be devised.

23. The framework for intra-African trade liberalization draws inspiration from the Lagos Plan of Action and the Final Act of Lagos as well a other documents adopted by the Heads of State and Government of the OAU and in particular the envisaged Treaty establishing the African Economic Community. Additionally, the framework embraces the following basic principles:

(a) Granting "most-favoured-nation" treatment on goods, services and transfer of technology originating in other African countries, including preferences on industrial and agricultural products;

(b) Commitment to continue to reduce and eliminate tariffs and non-tariff barriers now imposed on goods produced in other African countries; and

(c) Developing an effective system to compensate countries for the loss arising out of the gradual removal of tariff barriers on the movement of goods and services among groups of countries. This can best be achieved through the increased use of the machinery already in place such as the subregional economic groupings as a basis for intra-African trade. These measures will have the effect of increasing opportunities for the establishment of the new multinational production and marketing enterprises within the grouping, thereby ensuring a fair and equitable distribution of gains from co-operation in trade.

(d) The establishment of an African Common Market

24. A critical element of the intra-African trade strategy is the establishment of the African Common Market called for in the Lagos Plan of Action. The achievement of this objective is a matter of top priority within the framework of the envisaged Treaty establishing the African Economic Community. In order to achieve this objective, collaborative action should be taken to include the following:

(a) Co-ordination of the strategies, policies and programmes for economic and social development as a basis for accelerating the establishment of an African Common Market;

(b) The establishment of subregional commodity exchanges to provide up-to-date information on the supply and demand for African products traded at the African level, including raw materials;

(c) Significant improvements in the exchange of intra-African trade information through the adoption of comprehensive trade information networks utilizing electronic data processing techniques. More specifically, information should be provided to African traders for the supply of goods and services offered by or originating from other African countries;

(d) The creation or rehabilitation of inter-country roads and rail links likely to encourage the growth of intra-African trade with particular emphasis on feeder and access roads permitting easier transportation of rural produce to the market; and the use of African airlines and shipping lines to increase the freighting and transportation of goods for intra-African trade;

(e) Encouraging the establishment of joint Africa . airlines and shipping lines;

(f) Providing information on pricing policies and other incentives designed to encourage intra-African trade, especially in food and food products;

(g) Supporting the African business enterprises to participate more effectively in the subregional and the All-Africa Trade Fairs, including the removal of man-made obstacles to the movement of exhibits to these fairs.

(e) Increasing counter-trade exchanges

25. Counter trade, especially in raw materials and food, is recognized as a factor for reducing the need for foreign exchange for intra-African trade and should be encouraged. Therefore, the potentials for such trade should be determined. It is important to establish a list of goods to be exchanged under counter-trade arrangements as well as modalities under which such trade should take place. In addition, the private sector should be allowed to participate in such trade.

V. REVITALIZING THE EXTERNAL TRADE SECTOR

26. As already stated in paragraph 1, the main focus of the strategy for the external trade sector is to increase Africa's share in world trade to at least 3 per cent by the year 2000. To achieve this, measures will be taken to reverse the disappointing trends in Africa's external trade performance experienced during the 1980s. Africa's external trade strategy needs to be significantly changed or modified. To avoid the expected loss by African countries as a result of the Uruguay Round of Multilateral Trade Negotiations through a likely erosion of existing preferences due to market diversion and exclusion from the offer list of products of

export interest to African countries. The revitalization of the African export sector has to be accorded the highest priority in the strategies for adjustment and transformation. The basic elements of such a strategy include: (a) improving the macro-economic environment and social framework for Africa's external trade; (b) significant decrease in dependence on exports of agricultural and mineral primary commodities; (c) significant improvements in export earnings capabilities; (d) new framework for North-South trade relations; (e) South-South trade co-operation; and (f) applying proper import management and operation techniques within the overall strategy for promoting and revitalizing Africa's trade.

27. There is evidence to suggest that in the past, the external trade strategy did not include adequate provisions to solve the following constraints which impeded the expansion of Africa's external trade:

(a) Excessive dependence on agricultural primary commodities and crude minerals;

(b) Limited range of manufactured goods identified as African in origin and design coupled with poor and inadequate marketing strategies;

(c) Problems of identifying new market channels and new trade opportunities, and the inability to exploit those markets through the introduction of new product lines and brands;

(d) Problems in supply dependability to ensure that, once captured, the markets for African products are not lost to other suppliers;

(e) Lack of adequate incentives and motivation for export promotion;

(f) Problems of ensuring competitiveness arising largely from inadequate or inappropriate pricing policies, lack of adequate standardization and quality control, unrealistic exchange rate policies and excessive export duties; this is exacerbated by the inability of the African countries to respond to the global technological innovations which render African commodities less competitive with synthetic substitutes;

(g) Lack of effective control of African transport and communications, shipping, containerization and modernized ports;

(h) Continued tariff and other protectionist measures, including subsidies in the industrialized countries which militate against African products; and

(i) Control of trade and distribution channels by foreign entities, especially transnational corporations, and restrictive trade and business practices by such transnational corporations.

28. The new trade strategy is designed taking full cognizance of these problems and contains the following critical elements:

(a) Improving the macro-economic environment and institutional framework for trade development and promotion

29. The macro-economic environment will be significantly improved through the implementation of the following policies:

(a) The formulation, within an overall development strategy at national and subregional levels, of an export promotion programme and a comprehensive policy package. These should be developed within the context of a long-term planning perspective and should explicitly take into account the macro- economic environment, resource needs and human resource development, research and technological development and potential gains from subregional co-operation so as to ensure export-led growth and contribution to the process of structural transformation of the African economies;

(b) The design and implementation of macro-economic and social policies, notably exchange rate, taxation, price and other policies affecting producer incentives so as to give impetus to the export sector; remunerative producer prices; more effective agricultural research and extension services; and the introduction on a larger scale of technological innovations and modern farming practices. At the same time,

an outward-looking export promotion strategy should not discriminate against production for domestic use and should be compatible with the objectives of food security and food self-sufficiency;

(c) The adoption of a new approach to the primary commodity sector with a view to increasing its efficiency and competitiveness and recapturing lost markets for traditional African exports. This should include new domestic policies and commitments on the part of African Governments to make commodity exports more remunerative to producers and the primary commodity sector more flexible and adaptable to world market conditions;

(d) The expansion in the range of options for exploiting natural resources through the creation of conditions which encourage indigenous private sector involvement in mineral exploration and processing activities and promote small-scale mining by, inter alia, improving the tenure system of small-scale miners;

(e) Shift towards more flexible and less centralized institutional mechanisms with a view to transforming where appropriate, the parastatals into autonomous and self-financing enterprises so as to increase their overall efficiency in all stages of production, distribution and marketing;

(f) The design of new programmes aimed at improving the efficiency of the marketing chain and ensuring that the policies in this area are integrated and mutually reinforcing at all stages of the marketing process; set appropriate incentive structures for the exporters so as to guarantee that producer prices are closely related to market prices;

(g) The definition, in precise terms, of the role and functions of the marketing boards, where they still exist, with the aim to ensuring that they operate in competitive environment;

(h) The formulation and implementation of more effective supply management policies so as to ensure dependability of supply and to balance supply and demand through, inter alia, long-term adjustment and rationalization of production;

(i) The introduction of policies providing for systematic improvement over time of storage and transportation facilities, roads, ports and communication infrastructure with a view to enhancing the competitiveness of export products.

(b) Decreasing the dependence on primary commodities

30. In the 1990s, there should be a significant decrease in Africa's dependence on exports of agricultural and mineral primary commodities. To this end, the strategy will include the following aspects:

(a) A new dialogue with transnational corporations (TNCs) to mutually agree to reverse the trends in the extractive and mining industries which now concentrate on exporting crude minerals while only a small amount of processing is undertaken. To this end, a new compact will be reached concerning the sharing of control of the processing and distribution of African primary commodities so as to make African Governments less vulnerable to international changes in pricing and exports of such commodities. New measures will also be taken to increase the use of science and technology and research and development (R & D) to enhance the exports of manufactured and semi-manufactured goods to the rest of the world;

(b) New and more vigorous demand and supply studies in the industrialized countries to identify patterns that can be matched against specific African produced goods and services. In doing so, special attention will be given to the quality of the goods, price competitiveness, packaging and merchandizing as well as international trade facilitation requirements. Efforts should also be made by African countries to engage in direct marketing of their products and to reduce the use of intermediaries;

(c) Comprehensive studies of the patterns of trade in the synthetic substitutes that threaten African primary commodities, as well as the structure of trade in primary commodities among the industrialized countries so as to determine their impacts on the African structures of production and distribution.

(c) Significant improvement in Africa's export earnings

31. A critical element of this strategy is to halt the declining trends in Africa's export earnings as a matter of urgency. To this end, African Governments will increase their capacities to understand the working of international market mechanisms and how these are manipulated by foreign firms and transnationals through pricing mechanisms and shifts in supply functions to respond to anticipated demand. The trade strategies will be restructured with a view to facilitating the penetration of African products in international markets at higher remunerative levels. This will be achieved through the following:

(a) The intensification of efforts to diversify the export production, seeking to develop new products especially those that can readily be identified as "African" and to identify markets for them; encourage further processing of agricultural and mineral commodities and expand the process of industrialization; the adoption of measures to promote horizontal and vertical diversification of exports including the provision of concessional financing to expand the processing capacity for agricultural primary commodities and minerals;

(b) Creation, where appropriate, of "export processing zones" or "free trade zones" that would effectively contribute to the promotion of manufactured and semi-manufactured exports. Such zones could attract external capital by a system of customs duty or tax exemption on capital goods, spare parts and raw materials, total or partial exemption on dividends during the initial period of operation, accelerated depreciation for export-oriented enterprises, preferential credit and acquisition terms for land and buildings in the zone, free repatriation of dividends for foreign investors and flexible labour legislation;

(c) Identification within the services sector (e.g., money and banking, insurance, storage, marketing and distribution, advertising and merchandizing) of branches with significant potential for export growth and promotion, particularly those closely interrelated with or supporting commodity exports, and adoption of measures aimed at strengthening exportable services through greater institutional and financial support so as to increase export earnings from services; and

(d) Adoption of a more aggressive export promotion drive through the preparation of an inventory of Africa's products to be subjected to a realistic policy to ensure more competitiveness of African goods in the world markets, taking advantage of possible price increases for such products; and systematic analysis of the cost structures of African exports, especially port facilities, shipping and air-freighting, intermediaries, and trade representation so as to identify areas where cost reductions could be achieved. This would immediately increase the "retained value" of Africa's exports as well as their competitiveness.

(d) New framework for Africa's trade relations with the North

32. During the 1990s, the external trade strategy will focus on increasing the gains while minimizing Africa's losses from international trade. Within the framework of the solidarity of the Group of 77 and in addition to the UNCTAD forum, a platform (see paragraph 49) must be found by which particular trade problems of African countries can be brought to the attention of the Group of Seven Most Industrialized Countries for appropriate support. Such a forum will provide Africa with the opportunity to negotiate with its trading partners to remove their restrictive and protectionist policies.

33. Therefore, the new structure of trade relations will focus on the following important elements:

(a) Redefining and strengthening the institutional framework for policy dialogue and negotiations between Africa and the developed countries within the United Nations Conference on Trade and Development (UNCTAD), the International Trade Centre (ITC), the World Bank, the General Agreement on Tariffs and Trade (GATT), the International Monetary Fund (IMF) and the ACP-EEC Lomé IV Convention. Such dialogue should aim at identifying new areas for co-operation that can halt the economic declines in the African countries thereby enabling them to maximize the advantages from international trade;

(b) Engage in new dialogue with international community with a view to re-establishing or strengthening the international commodity agreements (ICAs) for commodities of major export interest to African countries; enhancing co-operation within the producer organizations, including African regional

organizations, for the purpose of improving market research, product development, supply management and dependability and new uses for traditional commodities;

(c) An agreement setting up a new framework for the transfer, acquisition and adaptation of science and technology in the light of Africa's strategy for external trade development. In particular, the application of the United Nations Electronic Data Interchange for Administration, Commerce and Transport (UN-EDIFACT) will enhance trade between Africa and the developed countries. The introduction of computers in African countries to facilitate international trade should be accompanied by intensive training and skills upgrading in the use of new techniques for trade promotion;

(d) Comprehensive analyses of supply of existing and potential manufactured and semi-manufactured products in African countries that have a real export potential to form the basis for new negotiations for tariff reductions in international trade. Simultaneously, a demand and consumption analysis, including standards and quality control, will be made in the markets of industrial countries to determine the marketability of the African products as well as appropriate institutions and trade facilitation mechanisms.

(e) Enhancing South-South trade and co-operation

34. In order to promote South-South trade and co-operation and thereby foster growth of the manufacturing sector in Africa, the following strategy is adopted:

(a) in the light of the Caracas Programme of Action on Economic Co-operation, African subregional economic groupings should study ways of creating preferential trade regimes between Africa and other developing regions pursuant to the Global System of Trade Preferences among Developing Countries (GSTP). In this connection, African countries which have not yet signed or ratified the GSTP agreement should do so; steps should also be taken by African countries to launch preparations for the second round of GSTP negotiations. Furthermore, the proposal to establish the Afro-Arab Preferential Trade Area should be pursued in the light of the Caracas Programme of Action in collaboration with relevant institutions;

(b) Appropriate mechanisms for improving interregional monetary and financial arrangements should be put in place in order to eventually create multilateral clearing arrangements for interregional trade facilitation so as to enhance such trade;

(c) Improve the flow and exchange of trade information to enable the expansion and promotion of interregional trade. Similarly, communications services among developing countries should be significantly improved;

(d) State trading organizations (STOs), national export promotion centres, as well as chambers of commerce and industry, should link their demand for goods and services with the supply by their counterparts in other developing regions and should explore possibilities of counter trade where mutually beneficial.

VI. ENHANCING THE ROLE OF WOMEN IN TRADE

35. The objective of the trade strategy is to improve significantly the participation of women in trade. Women in Africa over the centuries, have been active participants in the production and marketing of agricultural products, handicrafts and other goods. A significant proportion of the operators in most markets in Africa, especially in the agricultural produce, informal sector and in cross-border trade are women. The strategy for revitalizing Africa's trade recovery and growth must include appropriate policy measures designed to increase women's participation in domestic, intra-African and external trade.

36. Lessons from experience indicate that in the past, African women faced the following specific problems which were not adequately addressed:

(a) Inadequate policy and institutional framework to support women's participation in domestic, intra-African and external trade;

(b) Negative traditions, attitudes and bias against business women in African societies;

(c) Unavailability and/or inadequate access of women to means of production, particularly land and capital;

(d) Lack of legal framework to support women's rights in trade and commerce;

(e) Lack of institutional support to women's co-operative organizations in the field of trade.

37. In order to fully address these problems in the 1990s, the following strategy for enhancing the role of women in trade has been designed bearing in mind the Arusha Strategies for the Integration of Women in Development and the Nairobi Forward-Looking Strategies for the Advancement of Women. Accordingly, in order to encourage more effective participation of women in trade, the following strategies are adopted:

(a) Provision of adequate support to women in trade in order to ameliorate the legal, social, economic, religious and cultural constraints that have been major impediments to the effective participation of women in this sector as well as in small-scale and agro-industries. Furthermore, mechanisms for the co-ordination of the fragmented entrepreneurial skills, both for rural and urban women, will be vigorously pursued. Support in the provision of market sheds, access to raw materials, training and up-grading of skills in small-scale and agro-industries, deserve immediate attention;

(b) Improving the weak and fragile financial base through appropriate policy measures, including providing adequate collateral in order to enhance women's access to credit and capital. In this respect, a new framework will need to be devised to enable banks to shift their emphasis from automatic collateral requirements to criteria of profitability of the investment;

(c) Improving the environment for small-scale women traders, business enterprises, small-holder and medium-scale farmers and producers of marketable goods, including handicrafts;

(d) Identifying economically viable projects to be developed into self-sufficient profitable entity through good management and access to science and technology;

(e) Encouraging women to establish financial co-operative enterprises which will allow them to "pool" their resources for investment, improve their collateral and also spread the business risks among its members; furthermore, improve women's access to credit by creating within existing financial institutions, "special windows" that can provide financial services to women.

VII. CREATING THE ENABLING ENVIRONMENT FOR PRIVATE SECTOR PARTICIPATION IN TRADE

38. These strategies recognize the role of the private sector in the development and expansion of trade. Therefore, new measures or mechanisms will be devised to provide incentives and support structures to encourage more effective participation of the private sector in trade promotion and expansion. To this end, national, subregional and regional federations of chambers of commerce, industry and mines, and more specifically, the Federation of African Chambers of Commerce, should be given the opportunity to contribute to the decision-making process for trade.

39. The private sector has an important role to play in implementing these strategies. It should therefore be provided with an appropriate enabling environment in which it can translate government policies into viable and bankable trade projects. The Ministers of Trade should evolve an appropriate framework for undertaking regular consultations and dialogue with the private sector, including transnational corporations engaged in production, distribution and marketing with a view to determining the modalities for private sector participation in trade promotion.

40. It should provide the business community with appropriate economic and political environment conducive to export promotion and diversification, including such measures as the introduction of export insurance and credit schemes, tax exemption for exporters of manufactures and semi-manufactures, appropriate pricing policies as well as reinforcing export support institutions.

VIII. STRATEGY FOR TRADE FINANCING

41. Trade financing is an integral part of sound strategies for revitalizing Africa's trade in the 1990s. Experience shows that in the past many well-formulated trade strategies failed to materialize because of lack of financing. The main issues that need to be addressed include the following:

(a) Inadequate policies for investment and financing to support domestic, intra-African and external trade, including the unavailability of foreign exchange, export credit and domestic insurance cover;

(b) Multiplicity and non-convertibility of currencies which hinder expansion of intra-African trade;

(c) Low budgetary allocation by governments to the trade sector; and

(d) Low priority accorded to the trade sector by international development finance institutions in their aid and resources allocation programmes.

42. If the trade strategies are to be realized, there is a clearly recognized need to address more effectively the question of intensive mobilization of domestic and external resources to support the trade sector and to improve the quality and forms of finance to this sector. It is necessary to put in place the following appropriate financial support framework, taking into account the required linkages between production, processing, marketing and distribution:

(a) Facilities for financing domestic trade

(i) improving the mobilization of domestic savings by official credit institutions particularly in the rural areas, and subsequently strengthening the commercial credits branches of such financial institutions;

(ii) making credit allocation schemes more flexible and adapting the terms under which loans are granted and reimbursed to the characteristics of the sector and of the commercial operations concerned, such as the speed of sales turnover, seasonal cycles or type of operator;

(iii) carrying out a study on the future requirements for commercial credits in line with sectoral objectives;

(iv) extending permanent financial support and credit facilities to small businesses, including in particular co-operatives and traders in informal sector, providing for soft loans and concessional credits to these operators; establishing revolving funds for women activities and improving legal framework for women's access to credit;

(v) providing technical support to small-scale enterprises and informal sector in the preparation of viable credit applications.

(b) Policy instruments for intra-African trade financing

(i) establishment at the national, subregional and regional levels of specialized financial institutions to support the trade sector. The PTA Trade and Development Bank and ECO Bank are examples of such specialized financial institutions;

(ii) strengthening existing subregional clearing and payments arrangements in order to increase the volume of transactions passing through such institutions and thereby reduce Africa's heavy dependency on "hard currencies" for financing intra-African trade. In addition, steps should be taken to establish the North African Clearing and Payments Arrangements, which is the only missing link for the establishment of an African Clearing and Payments Union;

(iii) the process for the establishment of the African Monetary Fund should be continued in order to provide additional balance-of-payments support for deficits arising from intra-African trade;

(iv) new efforts should be made to deal with the problems arising out of the multiplicity of non-convertible currencies in the expansion of intra-African trade. Accordingly, in the 1990s, measures should be taken to introduce the convertibility of African currencies, within the framework of subregional and regional monetary and financial arrangements. To this end, the introduction of the UAPTA Travellers Cheques in the PTA[1] could constitute an important element for trade financing policy;

(v) encourage African Governments to include in their investment codes preferential treatment for investment by other African countries; similarly investment codes in African countries should be harmonized to encourage investment for the promotion of intra-African trade;

(c) Financing external trade

(i) specialized financial institutions should be established to provide short- and medium-term finance to the trade sector including export credit financing and export insurance. To this end, the efforts of the African Development Bank to establish an African Export-Import Bank are indeed welcome, and so are the efforts by some African countries to establish national export-import banks;

(ii) transnational banks and local commercial banks should be encouraged to allocate more financial resources to support indigenous entrepreneurs and traders, particularly small- and medium-scale businesses engaged in trade promotion activities;

(iii) governments should allocate increased resources to support the trade sector within the framework of their annual budgets; they should also establish export guarantee schemes which are an important element of a modernized trade sector;

(iv) more foreign exchange should be made available to the trade sector, particularly to processing for exports in order to increase marketable and exportable output. This can be achieved, inter alia, by increasing the consumption of domestically produced goods and significant reductions in allocation of foreign exchange for conspicuous consumption and non-productive investments.

IX. MECHANISMS FOR IMPLEMENTATION, MONITORING AND FOLLOW-UP

43. A specific draw-back of previous trade strategies adopted by African Governments was the lack of adequate mechanisms for implementation, monitoring and follow-up. These strategies have adequately addressed this anomaly. It is recognized that the comprehensive nature of these strategies calls for the participation of all major actors and institutions in trade development, promotion, financing, marketing and distribution. While the implementation of these strategies is the responsibility of the African governments through the Ministries responsible for trade, it is recognized that all agents concerned with growth and development should be approached to make their contribution.

44. International organizations such as the World Bank, the African Development Bank, the United Nations Development Programme, the United Nations Conference on Trade and Development, the International Trade Centre, the European Economic Community, AATPO and the Arab Bank for Economic Development in Africa (BADEA) are expected to play a significant role in assisting African countries in the implementation of these strategies. In this context, the Paris Declaration and the Programme of Action for the Least Developed Countries for the 1990s should be fully implemented, in particular, the chapter on external trade, including diversification, access to markets, commodities and compensatory financing. Similarly, bilateral donors are also expected to play an important role, especially in trade financing.

45. The implementation of these strategies requires a macro-policy approach in order to promote domestic, intra-African and international trade, taking full account of the objective of self-reliance embodied in the Lagos Plan of Action. Therefore, a clear analysis of market mechanisms at different levels is essential in order to design adequate and appropriate instruments for production, distribution, advertising and

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[1] UAPTA is the Unit of Account of the Preferential Trade Area for Eastern and Southern African States.

marketing. To this end, the following implementation, monitoring and follow-up mechanisms will be put in place to assist African Governments either individually or collectively, to implement the strategies.

(a) Action at the national level

46. At the national level, the Ministers responsible for trade, in consultation with other Ministers, will set up, where this does not exist, an Inter-disciplinary Committee on Trade to draw up a programme for implementing the Strategies for Revitalization, Recovery and Growth of Africa's Trade in the 1990s. This committee will be made up of Ministers of trade, agriculture, industry, planning, finance, transport and communications and human resources development, as well as the representatives of the national State trading organizations, and chambers of commerce. It would also be the task of that committee to ensure, inter alia, a sound functional relationship between trade and other key sectors of the economy. The committee should also ensure that the trade sector is accorded high priority in the national development plans and in the allocation of development finance.

(b) Action at the subregional and regional level

47. At the subregional and regional levels, the Executive Secretary of ECA and the Secretary General of the OAU should establish a High-level Inter-Secretariat Committee made up of Executive heads of subregional intergovernmental organizations concerned with trade whose main mandate would be, among other things, to identify common areas of interest and to implement programmes aimed at promoting trade among the various subregional groupings. National, subregional and regional women's organizations and the Africa Regional Co-ordination Committee for the Integration of Women in Development (ARCC) should also participate in this committee. The other task of such a committee will be to assess and evaluate the success of trade promotion programmes within each subregional grouping. This committee will also be useful in the work towards the establishment of an African Common Market by using these subregional groupings as building blocks.

48. In addition, ITC, UNCTAD and AATPO, in collaboration with relevant regional and subregional intergovernmental organizations are called upon to develop or consolidate their ongoing intra-African trade expansion programmes at the subregional and regional levels by systematically undertaking computerized trade-flow analyses as a basis for in-depth supply and demand surveys, the identification of intra-African trade opportunities and the organization of trade generating events, such as buyer/seller meetings for the promotion of direct contacts between African producers and exporters and importers as well as relevant follow-up activities; co-operation in the organization of subregional and the All-Africa Trade Fairs; the establishment of subregional trade Information Networks with the effective participation of national trade information services and to be complemented by the setting up of the pan-African trade information system, effectively linking all subregional trade information networks (TINETs). Technical support in trade services to the operation of institutions in both the public and private sector involved in trade development and promotion, is another complementary element. An important feature of this programme lies also in the recognition of the crucial role of African women entrepreneurs and traders in trade development and the emphasis on trade related training and capacity building and institutional support including access to credit and capital. This intra-African trade expansion programme foresees strong co-operation between ECA, OAU, ADB, ITC, UNCTAD, GATT and AATPO as well as organizations with complementary mandates such as UNIDO, FAO, ITU and others.

(c) Action at the international level

49. At the international level, the current and the outgoing bureaux of the Conference of African Ministers of Trade (Cameroon, Ethiopia, Malawi, the Gambia, the Sudan, Togo and Zimbabwe) should constitute and serve as a Standing Committee on Trade and should be responsible for monitoring the implementation of all internationally agreed programmes and measures in international trade. It would be assisted by ECA, OAU, ADB, UNCTAD, ITC as well as regional and subregional institutions. This standing committee should also foster the exchange of experiences between Africa and other countries in the development and promotion of external trade. It should also have the mandate, where appropriate, to contact, on behalf of individual countries or subregional groupings, selected industrialized countries to discuss mutual programmes in international trade. The committee will work closely with the African Group in Geneva, the secretariat of

African, Caribbean and Pacific Group (ACP), the Non-Aligned Movement, the South Commission as well as the Group of 77, to ensure co-ordination of efforts and positions in all international trade negotiations.

50 An important aspect of the implementation mechanism of the present external trade strategy is to eliminate within the GATT framework or on a bilateral basis, serious tariff escalations affecting commodities of particular importance to African countries; phase out high internal duties and taxes on tropical products; abolish quantitative restrictions on imports of African commodities, especially the EEC quotas and seasonal restraints on African agricultural products. It is important, at the international level, to review the rules of origin, anti-dumping and import restraint measures in respect of manufactured or semi-manufactured exports of African countries so that they would contribute to Africa's diversification efforts. It is also necessary to improve the Generalized System of Preferences (GSP) schemes without the impairment of the multilaterally agreed principles taking into account special problems of the least developed countries.

51. Increased international efforts should be made with a view to re-establishing or strengthening the international commodity agreements for major commodities of export interest to Africa. These agreements have been useful in price stabilization programmes as well as in enhancing co-operation among producer organizations, including African regional commodity organizations, in marketing research and product development.

52. In order to facilitate the implementation of these strategies and to accelerate the establishment of the African Economic Community and the African Common Market, The 1990s, is hereby declared the "Trade Development Decade for Africa".

53. UNDP, international development finance institutions, bilateral and multilateral donors are urged, in addition to their financing priority programmes, to accord high priority to the complementary trade sector in their allocations of funds to Africa within the framework of these strategies.

54. The Executive Secretary of ECA, the Secretary General of the OAU and the President of the African Development Bank should jointly initiate contacts with relevant international organizations in order to assist the African Governments in implementing these strategies. Furthermore, the Executive Secretary of ECA, in collaboration with other relevant international organizations and the standing committees established by member States under paragraphs 46, 47 and 49, will submit a progress report to all future regular meetings of the Conference of African Ministers of Trade on the implementation of these strategies.